

ASSEMBLY BILL

No. 367

Introduced by Assembly Members Galgiani and Audra Strickland

February 23, 2009

An act relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 367, as introduced, Galgiani. Medi-Cal: skilled nursing facilities and intermediate care facilities for persons with developmental disabilities.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services, including skilled nursing facility services and intermediate care facility services for persons with developmental disabilities, are provided to qualified low-income persons.

This bill would state the intent of the Legislature to enact legislation that would ensure that facilities serving the elderly and persons with developmental disabilities receive the uninterrupted Medi-Cal payments necessary to ensure continuous services for those who rely on their care.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) Skilled nursing facilities and intermediate care facilities for
- 4 persons with developmental disabilities provide comprehensive

1 24-hour care to more than 300,000 of California's most vulnerable
2 citizens each year.

3 (2) Sixty-five percent of the elderly patients in skilled nursing
4 facilities, and nearly 100 percent of the clients in intermediate care
5 facilities for persons with developmental disabilities, rely on
6 Medi-Cal benefits. A delay in Medi-Cal payments places many
7 individual providers and the people they serve in extreme jeopardy.

8 (3) Services provided by skilled nursing facilities and
9 intermediate care facilities for persons with developmental
10 disabilities are dictated by very prescriptive federal and state
11 requirements that make it impossible for these providers to
12 discharge patients, delay services, or change the intensity of their
13 care to accommodate a delay in reimbursement.

14 (4) Because the government is a dominant payor for services
15 provided by skilled nursing facilities and intermediate care facilities
16 for persons with developmental disabilities, it is also impossible
17 for these providers to compensate for delayed Medi-Cal payments
18 by shifting costs to other payors or generating revenue from
19 alternative sources.

20 (5) In light of the compromised state of the current credit market,
21 skilled nursing facilities and intermediate care facilities for persons
22 with developmental disabilities are either unable to secure
23 short-term loans or forced to pay exorbitant rates for money they
24 borrow to compensate for the lack of Medi-Cal revenue.

25 (b) It is therefore the intent of the Legislature to enact legislation
26 that would ensure that facilities serving the elderly and persons
27 with developmental disabilities receive the uninterrupted Medi-Cal
28 payments necessary to ensure continuous services for those who
29 rely on their care.